

# Walbridge

777 Woodward Avenue, Suite 300  
Detroit, Michigan 48226-3529  
www.walbridge.com

March 8, 2011

The Honorable Mark Jansen  
Chairman  
Reforms, Restructuring, and Reinventing Committee  
Michigan Senate  
S-310 Capitol  
P.O. Box 30036  
Lansing, MI 48909-7536

Re.: Statement in support of Project Labor Agreements

Dear Senator Jansen:

Walbridge is a construction company founded in 1916 and based in the city of Detroit. In 2010, our company generated revenues exceeding \$1 billion. We conduct work throughout North America, South America and the Middle East, and in 2010 we were ranked 50<sup>th</sup> among the 400-largest construction firms in the United States.

Walbridge has worked successfully under Project Labor Agreements on multiple projects over many years. We support Project Labor Agreements (PLAs) for the following reasons:

## SAFETY

- PLAs help standardize safety requirements, safety orientations and communication of expectations to all parties;
- They ensure implementation of a standardized substance abuse program for all personnel;
- Standardized work rules cover all workers;
- A larger pool of Michigan workers is appropriately trained in safety and companies have structured access to these workers;
- Companies have access to a larger pool of well-trained front-line supervisors experienced at leading crews safely.

## COMMUNITY AND PUBLIC GOODWILL

- PLAs facilitate promoting and meeting worker residency and diversity requirements;
- Hiring requirements under PLAs improve employment opportunities for Michigan residents;
- The same hiring requirements indirectly support Michigan businesses, since they are familiar with local hiring practices;
- Hourly wage requirements are generally supportive of prevailing wages and include fringe benefits, such as health care coverage and pension. Payments of wages and benefits reduces current and future burdens on state, county and municipal governments;
- PLAs are, generally, more supportive of apprenticeship development and training;
- They prevent the use of "1099 Employee" subcontractors who skirt payment of taxes;
- Hourly rates generally include contributions to local apprenticeship and journey person training; Not only is this good for worker development in communities, but it also reduces the burden on government training programs;
- They generally include a grievance procedure, which greatly reduces employer-employee disputes from reaching our court system;

(Page 2)

- PLAs contribute to ensuring proper Workers Compensation Insurance is carried by on-site employers, since labor requirements are more disciplined and visible;
- Structured practices under PLAs greatly reduce discrimination in hiring.

#### COST AND SCHEDULE

- PLAs generally stabilize and define wages for the project duration, as well as define any adjustment method;
- They require proper payment of overtime premiums, as mandated by state and federal law;
- Work stoppages of any type are generally prevented (unresolved worker grievances, labor unrest, strikes, lock-outs, etc.);
- They strongly facilitate and support the unlimited availability of qualified workers to meet a project's needs;
- PLAs frequently provide scheduling acceleration tools that reduce shift-work premiums, standardize shift work hours, and reduce overtime premiums, staggered work weeks, make-up days, etc.;
- The use of a qualified local workforce and properly licensed journey persons ensures Michigan Construction Code requirements are more likely to be met.

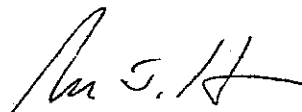
#### QUALITY

- PLAs facilitate the availability of a large pool of well-trained, highly skilled Michigan workers who can meet quality requirements;
- Well-trained, highly skilled Michigan front-line supervisors are better positioned to lead and coordinate the workforce thanks to PLAs;
- They ensure licensed Michigan journey persons know, understand and abide by the State Construction Code.

In closing, PLAs play a role in the industry's ability to deliver safe, high-quality projects in a timely and cost-effective manner. They also facilitate an environment within our communities where fair wages and benefits are paid, thereby reducing the demand for already stretched tax dollars for state, county and municipal services.

Thank you.

Sincerely,



Richard J. Haller  
President and Chief Operating Officer